

**TOWNSHIP OF ELMER
OSCODA COUNTY, MICHIGAN
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2004**

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Elmer Township	County Oscoda
Audit Date 3/31/04	Opinion Date 7/13/04	Date Accountant Report Submitted to State: 8/12/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

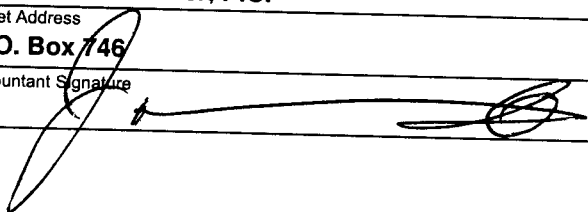
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Anderson & Decker, P.C.			
Street Address P.O. Box 746		City Roscommon	State MI
Accountant Signature 		ZIP 48653	Date 8/12/04

TOWNSHIP OFFICIALS

Supervisor

Martin Galbraith

Clerk

Rosemary L. Hoffman

Treasurer

Rosemary Sheffer

TRUSTEES

James R. Houlton

Richard Ellis

TOWNSHIP OF ELMER

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Anderson & Decker, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

July 13, 2004

Township Board
Elmer Township
Oscoda County, Michigan

We have audited the general purpose financial statements of the Township of Elmer, County of Oscoda as of and for the year ended March 31, 2004, as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Township of Elmer, County of Oscoda, at March 31, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statement and individual fund statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the combined financial statements of the Township of Elmer, County of Oscoda. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

ANDERSON & DECKER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

TOWNSHIP OF ELMER
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 2004

	<u>Governmental Fund Types</u>		<u>Fiduciary Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Pension Trust</u>	<u>Agency</u>
ASSETS				
Cash and investments	\$ 161,984	\$ 147,124	\$ 20,472	\$ 1
Taxes receivable	3,501	-0-	-0-	-0-
Due from other governmental units	9,938	-0-	-0-	-0-
Property, plant and equipment	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Assets	<u>\$ 175,423</u>	<u>\$ 147,124</u>	<u>\$ 20,472</u>	<u>\$ 1</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 3,275	\$ 34,500	\$ -0-	\$ -0-
Undistributed collections	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1</u>
Total Liabilities	<u>3,275</u>	<u>34,500</u>	<u>-0-</u>	<u>1</u>
Fund Equity:				
Investment in general fixed assets	-0-	-0-	-0-	-0-
Reserved for retirement benefits	-0-	-0-	20,472	-0-
Fund balance - Undesignated	<u>172,148</u>	<u>112,624</u>	<u>-0-</u>	<u>-0-</u>
Total Fund Equity	<u>172,148</u>	<u>112,624</u>	<u>20,472</u>	<u>-0-</u>
Total Liabilities and Fund Equity	<u>\$ 175,423</u>	<u>\$ 147,124</u>	<u>\$ 20,472</u>	<u>\$ 1</u>

See Accompanying Notes to Financial Statements

<u>Account Groups</u>		
<u>General Fixed Assets</u>	<u>Total (Memorandum) (Only)</u>	
\$ -0-	\$ 329,581	
-0-	3,501	
-0-	9,938	
<u>266,014</u>	<u>266,014</u>	
<u>\$ 266,014</u>	<u>\$ 609,034</u>	
\$ -0-	\$ 37,775	
-0-	<u>1</u>	
<u>-0-</u>	<u>37,776</u>	
266,014	266,014	
-0-	20,472	
<u>-0-</u>	<u>284,772</u>	
<u>266,014</u>	<u>571,258</u>	
<u>\$ 266,014</u>	<u>\$ 609,034</u>	

TOWNSHIP OF ELMER
COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 2004

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Revenues:			
Taxes and assessments	\$ 26,030	\$ -0-	\$ 26,030
Intergovernmental	94,396	-0-	94,396
Charges for services	12,003	-0-	12,003
Interest	771	733	1,504
Other	28,213	-0-	28,213
Total Revenues	<u>161,413</u>	<u>733</u>	<u>162,146</u>
Expenditures:			
General government	66,832	-0-	66,832
Public safety	19,613	-0-	19,613
Public works	28,363	62,239	90,602
Capital outlay	<u>1,783</u>	<u>800</u>	<u>2,583</u>
Total Expenditures	<u>116,591</u>	<u>63,039</u>	<u>179,630</u>
Excess:			
Revenue over (under) expenditures	<u>44,822</u>	<u>(62,306)</u>	<u>(17,484)</u>
Other financing sources (uses):			
Operating transfers in	-0-	32,500	32,500
Operating transfers (out)	<u>(32,500)</u>	<u>-0-</u>	<u>(32,500)</u>
Total Other Financing Sources (Uses)	<u>(32,500)</u>	<u>32,500</u>	<u>-0-</u>
Excess:			
Revenue and other financing sources over (under) expenditures and other Uses	12,322	(29,806)	(17,484)
Fund Balance - April 1	<u>159,826</u>	<u>142,430</u>	<u>302,256</u>
Fund Balance - March 31	<u>\$ 172,148</u>	<u>\$ 112,624</u>	<u>\$ 284,772</u>

See accompanying notes to financial statements

TOWNSHIP OF ELMER
COMBINED STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS
YEAR ENDED MARCH 31, 2004

		General Fund		Variance
		Budget	Actual	Favorable (Unfavorable)
Revenues:				
	Taxes and assessments	\$ 25,000	\$ 26,030	\$ 1,030
	Intergovernmental	100,000	94,396	(5,604)
	Charges for services	16,000	12,003	(3,997)
	Interest	-0-	771	771
	Other	-0-	28,213	28,213
	Total Revenues	141,000	161,413	20,413
Expenditures:				
	General government	73,000	66,832	6,168
	Public safety	20,000	19,613	387
	Public works	29,000	28,363	637
	Capital outlay	5,000	1,783	3,217
	Other	-0-	-0-	-0-
	Total Expenditures	127,000	116,591	10,409
Excess:				
	Revenue over (under) expenditures	14,000	44,822	30,822
Other financing sources (uses):				
	Operating transfers in	-0-	-0-	-0-
	Operating transfers out	(32,500)	(32,500)	-0-
	Total Other Financing Sources (Uses)	(32,500)	(32,500)	-0-
Excess:				
	Revenue and other financing sources over (under) expenditures and other uses	(18,500)	12,322	30,822
Fund Balance - April 1		130,055	159,826	29,771
Fund Balance - March 31		\$ 111,555	\$ 172,148	\$ 60,593

See Accompanying Notes to Financial Statements

Special Revenue Funds			Total (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ -0-	\$ -0-	\$ -0-	\$ 25,000	\$ 26,030	\$ 1,030
-0-	-0-	-0-	100,000	94,396	(5,604)
-0-	-0-	-0-	16,000	12,003	(3,997)
1,900	733	(1,167)	1,900	1,504	(396)
-0-	-0-	-0-	-0-	28,213	28,213
<u>1,900</u>	<u>733</u>	<u>(1,167)</u>	<u>142,900</u>	<u>162,146</u>	<u>19,246</u>
-0-	-0-	-0-	73,000	66,832	6,168
-0-	-0-	-0-	20,000	19,613	387
41,000	62,239	(21,239)	70,000	90,602	(20,602)
6,000	800	5,200	11,000	2,583	8,417
20,000	-0-	20,000	20,000	-0-	20,000
<u>67,000</u>	<u>63,039</u>	<u>3,961</u>	<u>194,000</u>	<u>179,630</u>	<u>14,370</u>
<u>(65,100)</u>	<u>(62,306)</u>	<u>2,794</u>	<u>(51,100)</u>	<u>(17,484)</u>	<u>33,616</u>
32,500	32,500	-0-	32,500	32,500	-0-
-0-	-0-	-0-	(32,500)	(32,500)	-0-
<u>32,500</u>	<u>32,500</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
(32,600)	(29,806)	2,794	(51,100)	(17,484)	33,616
<u>142,361</u>	<u>142,430</u>	<u>69</u>	<u>272,416</u>	<u>302,256</u>	<u>29,840</u>
<u>\$ 109,761</u>	<u>\$ 112,624</u>	<u>\$ 2,863</u>	<u>\$ 221,316</u>	<u>\$ 284,772</u>	<u>\$ 63,456</u>

TOWNSHIP OF ELMER
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-
PENSION TRUST FUND
FOR THE YEAR ENDED MARCH 31, 2004

REVENUES	
Employer contributions	\$ 2,056
Investment earnings	<u>539</u>
Total revenues	<u>2,595</u>
EXPENDITURES	
Administrative fees	<u>205</u>
Total expenditures	<u>205</u>
EXCESS OF REVENUES OVER EXPENDITURES	2,390
FUND BALANCE - April 1	<u>18,083</u>
FUND BALANCE - March 31	<u>\$ 20,473</u>

See accompanying notes to financial statements.

TOWNSHIP OF ELMER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004

NOTE A: ENTITY

The Township of Elmer is a general law township of the state of Michigan located in Oscoda County, Michigan. It operates under an elected board and provides services to its residents in many areas including public safety, street development and maintenance, and general administrative services. As required by generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement no. 14 "The Financial Reporting Entity", these financial statements present the Township of Elmer (primary government) and its component units. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township of Elmer conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Fund Accounting - The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into three generic fund types and two account groups, as follows:

GOVERNMENTAL FUNDS

General Fund - This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state grants, interest, and other intergovernmental revenues.

Special Revenue Funds - These funds are used to account for specific governmental revenues (other than special assessments and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

FIDUCIARY FUNDS

Agency - These funds are used to account for assets held in trust or as an agent for others. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

TOWNSHIP OF ELMER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

ACCOUNT GROUPS

General Fixed Assets Account Group - This account group presents the fixed assets of the local unit utilized in its general operations (nonproprietary fixed assets).

General Long-Term Debt Account Group - This account group presents the balance of general obligation long-term debt which is not recorded in proprietary funds.

BASIS OF ACCOUNTING - The modified accrual basis of accounting is used by all governmental funds and agency funds. Revenue and other sources are recognized in the accounting period in which they become susceptible to accrual; that is when they become both measurable and available to finance expenditures of the fiscal period. Expenditures are recognized when the related fund liability is incurred. Modifications from the accrual basis are as follows:

a. Property tax revenue are recognized as follows:

Properties are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. These taxes are due on February 15 with the final collection date of February 28 before they are added to the county delinquent tax rolls. All taxes levied on December 1, 2003 are recorded as revenue in the current year. Unpaid taxes are recorded as receivables of the respective fund.

b. Interest on bonded indebtedness and other long-term debt is not recorded as an expenditure until its due date.

c. Payments for inventorable types of supplies are recorded as expenditures at the time of purchase.

d. Normally, expenditures are not divided between years by the recording of prepaid expenses.

BUDGETS - Public Act 621 of 1978 as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated. The approved budgets of the Township for budgetary funds were adopted on a fund level. Budgets are normally formulated during January and February of each year and a budget hearing is held in March. The board normally adopts the budget just prior to April 1. Amendments are made to the budgets when determined to be necessary throughout the year.

TOWNSHIP OF ELMER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unused appropriations for budgeted activities lapse at the end of the year. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

PROPERTY AND EQUIPMENT - Property and equipment are stated at cost, or donated, fair market value. Expenditures which materially extend the useful life of existing properties or equipment are capitalized. Certain governmental improvements, including roads, bridges and drains are not capitalized. General fixed assets are recorded as expenditures at the time of purchase.

NOTE C - CASH AND INVESTMENTS

The balance sheet accounts and types of cash items are presented below:

<u>Balance Sheet Accounts</u>	<u>Amount</u>	<u>Cash Items</u>	<u>Amount</u>
Cash and investments	\$ 329,581	Checking and Savings Accounts	\$ 5,678
		Investments	323,903
Total	<u>\$ 329,581</u>	Total	<u>\$ 329,581</u>

Deposits - At year-end, the carrying amount of the Township's deposits was \$5,678 and the bank balance was \$5,902. According to Section 330.8 of the Federal Deposit Insurance Corporation Rules and Regulations, 100% of the total bank balance was covered by federal depository insurance.

The Government Accounting Standards Board Statement No. 3 risk disclosures for Elmer Township's cash deposits are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 5,678	\$ 5,902
Uninsured and Uncollateralized	-0-	-0-
Total Deposits	<u>\$ 5,678</u>	<u>\$ 5,902</u>

TOWNSHIP OF ELMER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE C - CASH AND INVESTMENTS (CONTINUED)

Investments - Act 217, PA 1982, authorizes the Township to deposit and invest in the following:

- a. Bonds and other direct obligations of the United States or its agencies.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of federally insured banks, insured savings and loan associations or credit unions insured by the national credit union administration that are eligible to be depository of surplus money belonging to the State under section 5 or 6 of act 105, PA 1855, as amended (MCL 21.145 and 21.146).
- c. Commercial paper rated at time of purchase within the three highest classifications established by not less than two standard rating services. Maturity cannot be more than 270 days after purchase and not more than 50 percent of any fund may be invested in commercial paper at any time.
- d. United States governmental or Federal agency obligation repurchase agreements.
- e. Bankers' acceptance of United States banks.
- f. Mutual funds composed of investments which are legal for direct investments by local units of government in Michigan.

The Township's investments are categorized below to give an indication of the level of risk assumed by the Township at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Township or its agent in the Township's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Township's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the Township's name.

Risk Categorized:	Category			Carrying Amount	Market Value
	1	2	3		
Citizens Bank-Treasury Portfolio	\$ -0-	\$ -0-	\$ 218,431	\$ 218,431	\$ 218,431
Nation City Bank - MIF	-0-	-0-	85,000	85,000	85,000
Pension Insurance Trust	-0-	-0-	20,472	20,472	20,472
Total Investments	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 323,903</u>	<u>\$ 323,903</u>	<u>\$ 323,903</u>

TOWNSHIP OF ELMER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE D - PROPERTY AND EQUIPMENT

A schedule of changes in general fixed assets is as follows:

	<u>Balance April 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance March 31</u>
Land	\$ 16,757	\$ -0-	\$ -0-	\$ 16,757
Land Improvements	61,560	835	-0-	62,395
Buildings	132,210	58	-0-	132,268
Equipment	52,904	1,690	-0-	54,594
Totals	<u>\$ 263,431</u>	<u>\$ 2,583</u>	<u>\$ -0-</u>	<u>\$ 266,014</u>

NOTE E - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

During the year ended March 31, 2004 Elmer Township incurred expenditures in excess of the amounts appropriated as follows:

<u>Fund</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
General Fund:			
Township Board	\$ 12,300	\$ 12,706	\$ (406)
Township Assessor	13,000	13,266	(266)
Township Hall	10,000	10,444	(444)
Road Special Revenue Fund:			
Road Improvements	41,000	62,239	(21,239)

TOWNSHIP OF ELMER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2004

NOTE F- PARTIAL SELF-INSURANCE

The Township is a member of the Michigan Township Participating Plan. As a member of the Plan, the Township is partially self-insured for general and auto liability, motor vehicle physical damage and property loss claims. Under most circumstances, the municipality's maximum coverage is limited as follows:

<u>Type</u>	<u>Limit</u>	<u>Deductible</u>
Property	\$ 326,277	100
Liability	1,000,000	-0-
Errors and Omission	1,000,000	-0-
Automobiles	1,000,000	100
Crime	10,000	-0-
Inland Marine	16,000	100
Workmen's Compensation	STATUTORY	-0-

NOTE G- TOTALS (MEMORANDUM ONLY) COLUMN

The total column on the combined statements is captioned memorandum only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE H - PENSION PLANS

Elmer Township provides pension benefits for the Township board and regular employees through a defined contribution plan. The eligible individuals may elect to participate in the Social Security system in lieu of participating in the pension plan. The plan is administered by Municipal Retirement Systems Inc. which invests the Township's contributions with the Gleaner Life Insurance Society. The Township previously invested with Travelers Insurance Company. The total invested with Gleaner Life Insurance Society and Travelers Insurance Company was \$20,472 as of March 31, 2004.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to such participant's account.

TOWNSHIP OF ELMER
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2004

NOTE H - PENSION PLANS (CONTINUED)

The Township contribution was 7.5% of the participant earnings. The plan does not allow participants to make contributions. The Township's contributions for each participant are fully vested when paid to the plan. A participant that leaves the employment of the Township is entitled to the balance in his individual annuity account.

The Township's total payroll for the year ended March 31, 2004, was \$36,166. The payroll of the eligible participants was \$27,413; the Township made the required contribution of \$2,056. The administrative fee of \$204 was paid in addition to the required contribution.

No pension provision changes occurred during the year that affected the required contributions to be made by the Township.

The plan held no securities of the Township or other related parties during the year or as of the close of the fiscal year.

NOTE I - JOINT VENTURE - FIRE PROTECTION

Elmer Township is a participant in a joint venture, Tri-Town Fire Department, with the Townships of Mentor and Big Creek for the purpose of providing fire protection services to the residents of the townships. The Tri-Town Fire Board is composed of the Supervisor of each of the three townships, two township board members from Big Creek Township and one township board member from each of Mentor Township and Elmer Township.

The Fire Department financial statements as of March 31, 2003 included the following:

The General Fund as of March 31, 2003 consisted of the following:

Cash and Investments	\$ 60,440
Fund balance	55,885

Activity for the year ended March 31, 2003 consisted of the following:

Revenues	\$ 121,926
Expenditures	97,191

General Fixed Assets totaled \$382,158

**SUPPLEMENTARY
INFORMATION**

TOWNSHIP OF ELMER
GENERAL FUND
STATEMENT OF REVENUES, COMPARED TO BUDGET
YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Taxes and Assessments:			
General property taxes	\$ 25,000	\$ 26,030	\$ 1,030
Total Taxes and Assessments	<u>25,000</u>	<u>26,030</u>	<u>1,030</u>
Intergovernmental:			
State shared revenues		73,826	
State swamp tax		<u>20,570</u>	
Total Intergovernmental	<u>100,000</u>	<u>94,396</u>	<u>(5,604)</u>
Charges for Services:			
Fees		6,210	
Dust control		3,883	
Rent		<u>1,910</u>	
Total Charges for Services	<u>16,000</u>	<u>12,003</u>	<u>(3,997)</u>
Interest	<u>-0-</u>	<u>771</u>	<u>771</u>
Other:			
Road cost local participation		27,500	
Miscellaneous		<u>713</u>	
Total Other	<u>-0-</u>	<u>28,213</u>	<u>28,213</u>
Total Revenue	<u>\$ 141,000</u>	<u>\$ 161,413</u>	<u>\$ 20,413</u>

TOWNSHIP OF ELMER
GENERAL FUND
STATEMENT OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
General Government			
Township Board:			
Salaries-board	\$	\$ 2,520	\$
Payroll taxes		1,036	
Retirement		2,056	
Insurance		4,938	
Mileage		88	
Telephone		119	
Printing and publishing		131	
Office supplies		363	
Dues and Fees		1,125	
Miscellaneous		330	
Total Township Board	<u>12,300</u>	<u>12,706</u>	<u>(406)</u>
Township Supervisor:			
Salary		6,740	
Meals		120	
Total Township Supervisor	<u>7,000</u>	<u>6,860</u>	<u>140</u>
Township Assessor:			
Notices and postage		962	
Office supplies		51	
Professional services		11,313	
Programming and support		940	
Total Township Assessor	<u>13,000</u>	<u>13,266</u>	<u>(266)</u>

TOWNSHIP OF ELMER
GENERAL FUND
STATEMENT OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED MARCH 31, 2004

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
General Government (continued)			
Election Board:			
Printing and publishing	\$ _____	\$ -0-	\$ _____
Total Election Board	<u>1,000</u>	<u>-0-</u>	<u>1,000</u>
Township Clerk:			
Salary - clerk		7,600	
Salary - deputy		223	
Mileage		28	
Office supplies		539	
Printing and publishing		182	
Programming and support		363	
Repairs and maintenance		<u>100</u>	
Total Township Clerk	<u>12,000</u>	<u>9,035</u>	<u>2,965</u>
Township Treasurer:			
Salary - treasurer		7,600	
Salary - deputy		1,778	
Mileage		183	
Meals		12	
Office supplies		656	
Printing and publishing		584	
Computer support		383	
Repairs and maintenance		<u>250</u>	
Total Township Treasurer	<u>12,000</u>	<u>11,446</u>	<u>554</u>
Board of Review:			
Salaries		540	
Printing and publishing		<u>10</u>	
Total Board of Review	<u>700</u>	<u>550</u>	<u>150</u>

TOWNSHIP OF ELMER
GENERAL FUND
STATEMENT OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED MARCH 31, 2004

General Government (continued)	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Township Hall:			
Maintenance wages	\$	\$ 4,135	\$
Mileage		98	
Contract services		360	
Supplies		863	
Utilities		3,272	
Repairs and maintenance		<u>1,716</u>	
Total Township Hall	<u>10,000</u>	<u>10,444</u>	<u>(444)</u>
Cemetery:			
Maintenance wages		722	
Contract services		1,770	
Supplies		33	
Total Cemetery	<u>5,000</u>	<u>2,525</u>	<u>2,475</u>
Total General Government	<u>73,000</u>	<u>66,832</u>	<u>6,168</u>
Public Safety:			
Fire protection	<u>20,000</u>	<u>19,613</u>	<u>387</u>
Total Public Safety	<u>20,000</u>	<u>19,613</u>	<u>387</u>
Public Works:			
Transfer sight		23,001	
Street lights		881	
Dust control		4,046	
Recycling		<u>435</u>	
Total Public Works	<u>29,000</u>	<u>28,363</u>	<u>637</u>
Capital outlay	<u>5,000</u>	<u>1,783</u>	<u>3,217</u>
Total Expenditures	<u>127,000</u>	<u>116,591</u>	<u>10,409</u>
Other Financing Uses:			
Transfer out	<u>32,500</u>	<u>32,500</u>	<u>-0-</u>
Total Expenditures And Other Financing Uses	<u>\$ 159,500</u>	<u>\$ 149,091</u>	<u>\$ 10,409</u>

TOWNSHIP OF ELMER
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2004

ASSETS	<u>Road</u>	<u>Cemetery Annex</u>	<u>Budget Stabilization</u>
Cash and investments	\$ <u>113,004</u>	\$ <u>4,337</u>	\$ <u>20,000</u>
Total Assets	\$ <u><u>113,004</u></u>	\$ <u><u>4,337</u></u>	\$ <u><u>20,000</u></u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ <u>34,500</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
Total Liabilities	<u>34,500</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance:			
Undesignated	<u>78,504</u>	<u>4,337</u>	<u>20,000</u>
Total Fund Equity	<u>78,504</u>	<u>4,337</u>	<u>20,000</u>
Total Liabilities and Fund Equity	\$ <u><u>113,004</u></u>	\$ <u><u>4,337</u></u>	\$ <u><u>20,000</u></u>

<u>Hall Improvement</u>	<u>Totals Memorandum Only</u>
\$ <u>9,783</u>	\$ <u>147,124</u>
\$ <u>9,783</u>	\$ <u>147,124</u>
\$ <u>-0-</u>	\$ <u>34,500</u>
<u>-0-</u>	<u>34,500</u>
<u>9,783</u>	<u>112,624</u>
<u>9,783</u>	<u>112,624</u>
\$ <u>9,738</u>	\$ <u>147,124</u>

TOWNSHIP OF ELMER
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEAR ENDED MARCH 31, 2004

	<u>Road</u>	<u>Cemetery Annex</u>	<u>Budget Stabilization</u>
Revenues:			
Interest	\$ 653	\$ 26	\$ -0-
Total Revenues	<u>653</u>	<u>26</u>	<u>-0-</u>
Expenditures:			
Public works	62,239	-0-	-0-
Capital outlay	<u>-0-</u>	<u>800</u>	<u>-0-</u>
Total Expenditures	<u>62,239</u>	<u>800</u>	<u>-0-</u>
Excess:			
Revenues over (under) expenditures	<u>(61,586)</u>	<u>(774)</u>	<u>-0-</u>
Other Financing Sources (uses):			
Operating Transfer In	<u>25,000</u>	<u>-0-</u>	<u>7,500</u>
Total Other Financing Sources (uses)	<u>25,000</u>	<u>-0-</u>	<u>7,500</u>
Excess:			
Revenues & other financing sources over (under) expenditures	(36,586)	(774)	7,500
Fund Balance - April 1	<u>115,090</u>	<u>5,111</u>	<u>12,500</u>
Fund Balance - March 31	<u>\$ 78,504</u>	<u>\$ 4,337</u>	<u>\$ 20,000</u>

Hall Improvements	Totals Memorandum Only
\$ 54	\$ 733
54	733
-0-	62,239
-0-	800
-0-	63,039
54	(62,306)
-0-	32,500
-0-	32,500
54	(29,806)
9,729	142,430
<u>\$ 9,783</u>	<u>\$ 112,624</u>

TOWNSHIP OF ELMER
CURRENT TAX COLLECTION FUND
BALANCE SHEET
MARCH 31, 2004

ASSETS

Cash and investments	\$ <u>1</u>
Total Assets	<u><u>\$ 1</u></u>

LIABILITIES

Undistributed collections	\$ <u>1</u>
Total Liabilities	<u><u>\$ 1</u></u>

TOWNSHIP OF ELMER
CURRENT TAX COLLECTION FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED MARCH 31, 2004

	<u>Balance April 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance March 31, 2004</u>
ASSETS				
Cash and investments	\$ 5	\$ 409,410	\$ 409,414	\$ 1
Total Assets	<u>\$ 5</u>	<u>\$ 409,410</u>	<u>\$ 409,414</u>	<u>\$ 1</u>
LIABILITIES				
Undistributed collections	\$ 5	\$ 409,410	\$ 409,414	\$ 1
Total Liabilities	<u>\$ 5</u>	<u>\$ 409,410</u>	<u>\$ 409,414</u>	<u>\$ 1</u>